


CA2ON
MA
-N 26

GOVT

Government
Publications

5

CAN
MA
-N26
Publications

ONTARIO

DEPARTMENT OF MUNICIPAL AFFAIRS
801 BAY STREET • TORONTO 5, ONTARIO

PRESS RELEASE

TO BE RELEASED: January 29, 1970

Municipal Affairs Minister Darcy McKeough announced today that a committee will be formed to make recommendations on the assessment and taxation of golf courses.

The committee, chaired by an official of the Department of Municipal Affairs, will consist of 17 representatives of municipal associations and the Ontario Golf Course Assessment Association.

Last fall at hearings of the Legislature's Legal and Municipal Committee on the new Assessment Act, the golf course owners requested special consideration to ease the burden of municipal taxes on golf courses.

Mr. McKeough said at that time "I undertook to study any proposals by the Golf Course Assessment Association. I further stated that the municipalities would be consulted through their various associations before any decisions were reached.

"We have now completed our studies of the effect market value assessment had on golf courses in Mississauga and York County and are ready to take the next step of forming this committee."

The Minister said that the new Assessment Act makes no major changes relating to the assessment of golf courses.

One minor change is that a golf course operated as a commercial enterprise must pay tax on a business assessment equal to 30 percent of its total realty assessment. Under the previous act the rate was 10 percent.

A second minor change relates to fixed assessment agreements which golf courses can enter into with the local municipality. Under previous legislation, interest charged on unpaid taxes was calculated at the rate of four percent per annum. Under the new Act, the interest rate will be agreed upon between the municipality and the golf course owner.

"This change was made because the four percent interest rate was completely unrealistic in today's money market and contributed to the refusal of some municipalities to enter into fixed assessment agreements," Mr. McKeough said.

The Minister said he recognized that golf is a popular sport and golf courses confer social benefits on the areas in which they are located. In addition, they provide valuable green space in urban settings.

"Fixed assessment agreements enabled municipalities to acknowledge these social benefits. However, some municipalities were reluctant to make these agreements as considerable amounts of municipal tax revenue were involved. From their point of view, this is understandable," he said.

"In light of the difficulties which certain golf clubs have encountered in attempting to obtain fixed assessment agreements, some adjustments in the existing system may be in order. This is one area the new committee will explore and make recommendations on."

Mr. McKeough said that many golf club owners have argued that the fixed assessment agreements did not offer sufficient protection against increased taxes and would deprive them of control over their affairs, causing them to lose equity in their land in a very short time.

"This is not the case. There has been some misunderstanding of the purposes served by fixed agreements and how they operate," he commented.

The Assessment Act allows a golf course owner to make an agreement with his municipality for a fixed assessment on land occupied as a golf course - but not including any buildings or structures or the land occupied by such buildings or structures. This fixed assessment is applied to taxation for general, school and special purposes, but not to taxation for local improvements.

The golf course is assessed in the usual manner. The municipal treasurer calculates what the taxes would have been if there were no agreement and then subtracts from this amount the taxes actually paid under the agreement. The unpaid tax balance is then debited against the golf course each year during the term of the agreement and interest is added to the aggregate amount on January 1, each year.

A fixed assessment agreement is terminated when the land involved ceases to be occupied for the purposes of a golf course or when the course owner serves notice that he wishes to end the agreement six months prior to the year-end.

If the agreement is terminated, the golf course owner has the option of either (a) paying off the taxes debited against the course; or (b) requiring the municipality to purchase the course for an amount equal to the fixed assessment.


"No matter how long a fixed assessment agreement runs, and regardless of the amount of unpaid taxes debited against the course, the golf course owner always maintains an equity in the golf course land equal to the amount of the fixed assessment," Mr. McKeough added.

Mr. McKeough said all properties, including golf courses, must be assessed at market value if there is to be any equity in assessment and local taxation.

He said that following recent market value assessment in Mississauga and York County most golf courses will be paying more municipal tax this year compared with last year.

"Many will pay a significantly greater tax, but some courses will, according to our projections, pay less. This in itself indicates the inequities which have existed in the past. Golf course buildings had been assessed at a much higher percentage of market value than had golf course land, so that those clubs which had a significant proportion of their equity in improvements were carrying a heavier tax burden than other clubs."

The proposed committee will consist of: Ontario Municipal Association-3 members; Association of Ontario Mayors and Reeves-3 members; Association of Counties and Regions of Ontario-1 member; Ontario Association of Rural Municipalities-1 member; Association of Municipal Clerks and Treasurers of Ontario-3 members; Metro Toronto Board of Trade-1 member; and the Ontario Golf Course Assessment Association-5 members. Mr. McKeough said the committee will meet as soon as replies have been received from the above associations.



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761115473852>

3 1761 11547385 2

